

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2021-243-E - ORDER NO. 2021-\_\_\_\_  
NOVEMBER \_\_, 2021

IN RE:	Application of Duke Energy Progress, LLC for Approval of Demand-Side Management and Energy Efficiency Rider 13, Increasing Residential and Non-Residential Rates	)	ORDER APPROVING DEMAND-SIDE MANAGEMENT AND ENERGY EFFICIENCY RIDER 13
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This matter comes before the Public Service Commission of South Carolina (“Commission”) on the Application of Duke Energy Progress, LLC (“DEP” or “the Company”) for approval of Demand-Side Management (“DSM”) and Energy Efficiency (“EE”) Rider 13 (“Rider 13”). The Company filed the Application on July 30, 2021. Rider 13 provides for the recovery of DSM/EE costs allocated jurisdictionally to South Carolina for the test period, January 1, 2020 through December 31, 2020, and for the forecast period, January 1, 2022 through December 31, 2022; net lost revenues for DSM and EE programs as applicable; and program/portfolio performance incentives (“PPI”), as applicable, in accordance with Commission Order Nos. 2015-596 and 2021-33. Pursuant to Order No. 2021-33, the terms of the Prior Mechanism govern the recovery of DSM/EE costs for the Test Period in this case, and the terms of the New Mechanism govern the recovery of DSM/EE costs for the Forecast Period in this case.

Petitions to Intervene were filed by and subsequently granted as to Walmart Inc. (“Walmart”) and Nucor Steel-South Carolina.<sup>1</sup> A Joint Petition to Intervene was filed by and

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<sup>1</sup> See Order Nos. 2021-117-H and 2021-119-H.

subsequently granted as to the Southern Alliance for Clean Energy and the South Carolina Coastal Conservation League (“SACE/CCL”).<sup>2</sup> The Office of Regulatory Staff (“ORS”) is a party to this proceeding per S.C. Code Ann. § 58-4-10(B).

DEP moved for Commission consideration of the Application without hearing pursuant to S.C. Code Ann. § 58-27-870(F). Under the terms of S.C. Code Ann. § 58-27-870(F), a proposed rate may be put into effect without a hearing, *inter alia*, when the proposed rate does not require a determination of the entire rate structure and overall rate of return, and when the new rate will facilitate an orderly rate administration, all of which are true in this case. Further, since there are also no objections from the parties, the waiver of the hearing is granted.

According to the Application, pursuant to the Mechanisms, the Rider is trued up each year to reflect the difference between the reasonable expenses prudently incurred, net lost revenues incurred, and PPI based on realized results during the test period and the revenues that were actually realized during the test period under the DSM/EE Rider then in effect. Net lost revenues can be recovered for the first 36 months after the installation of the measure and shall be trued up in the first DSM/EE cost recovery proceeding following the completion and review of a program or measure’s impact evaluation. The kWh sales reductions that result from measurement units installed will cease to be eligible for use in calculating net lost revenues as of the effective date of the implementation of new rates approved by the Commission in a general rate case or comparable proceeding to the extent the rates set in the general rate case are set to explicitly or implicitly recover the net lost revenues associated with those kWh sales reductions. The PPI is based on the net dollar savings of the portfolio as calculated using the Utility Cost Test. Pursuant to the New

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<sup>2</sup> See Order No. 2021-131-H.

Mechanism, the PRI is based on the gross avoided costs of those programs eligible for the PRI.

The revenue DEP proposed to be recovered through the proposed Rider 13 is \$19,613,910 for Residential Customers and \$17,864,027 for General Service/Non-Residential Customers.

Based on the total costs to be recovered under Rider 13, the billing factors applicable to South Carolina customers for the billing period January 1, 2022 through December 31, 2022, inclusive of gross receipts taxes (“GRT”) and South Carolina Regulatory Fees, would be as follows (shown in cents per kWh):

Rate Class	EE Rate	DSM Rate	Adjustment*	DSM/EE Annual Rider
Residential	0.601	0.217	0.011	0.829
General Service – EE only	0.854		0.004	0.858
General Service – DSM only		0.267	0.002	0.269
Lighting	0.000	0.000	0.000	0.000

*\* Adjustment includes charges related to Residential Energy Conservation Discount, SC GRT, and Reg Fee.*

ORS filed its review report, which included a recommendation to approve Rider 13 as proposed by the Company. ORS noted the Company’s non-residential Energy Wise for Business (“EWfB”) program continues to struggle with cost effectiveness. ORS recommended the Company continue to incorporate the necessary changes to improve the program’s cost effectiveness. We have examined ORS’s recommendations and agree. The Company shall continue to seek program enhancements designed to improve the cost-effectiveness of the non-residential EWfB program.

Walmart had no objection to the Company's proposed changes, noting Rider DSM/EE as proposed by DEP continues to maintain the "opt-out" provisions without change. Walmart strongly supports DEP's opt-out provisions as Walmart has its own extensive, self-funded EE/DSM efforts.

SACE/CCL filed extensive comments offering views on various components of the Company's DSM/EE programs. These intervenors support DEP's request for approval of Rider 13, but SACE/CCL have offered several recommendations. We find that SACE/CCL's recommendations go beyond the scope of this EE/DSM cost recovery rider proceeding. As directed in Order No. 2021-514, Docket No. 2021-76-E, we believe that SACE/CCL's recommendations and feedback are best addressed within the EE/DSM Collaborative.

IT IS THEREFORE ORDERED:

1. That DEP's request to implement Rider 13 is approved. The rider shall be in effect from January 1, 2022, to December 31, 2022, or until further order of the Commission.
2. The rates contained in Rider 13 of 0.829 cents per kWh for residential customers and 1.127 cents per kWh for non-residential customers are approved for the billing period January 1, 2022, to December 31, 2022.
3. That the Company shall file its tariff for the approved rates on or before December 30, 2021 using the Commission's E-Tariff filing system. The tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.
4. The Company should monitor its non-residential Energy Wise for Business program and seek program enhancements to improve its cost effectiveness.
5. SACE/CCL and any other parties may continue discussions of issues affecting DSM/EE programs within the Collaborative structure as needed.

6. That this Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:

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Justin T. Williams, Chairman

ATTEST:

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Jocelyn Boyd, Chief Clerk/Executive Director